

PAdm 865: State and Local Government Finance (3 credit hours)

Instructor:

W. Bartley Hildreth

Prerequisites:

Public Administration 765: Public Sector Economics

Course Objectives:

- Learn that fiscal policies guide financial practice;
- Recognize the institutions and roles involved in taxing and spending;
- Understand the environment and processes of public allocation systems and taxation;
- Identify budget theory and budget reforms;
- Learn the basic features of major tax structures;
- Appreciate the fiscal linkages between federal, state, and local governments;
- Apply basic budget analysis skills; and
- Learn that financial documents have to be clear, concise, correct and conform to fiscal policy.

Course Description:

Analyzes state and local government expenditure and revenue system; introduces state and local financial administration.

Major Topics Covered:

Students use the textbook and classroom discussion to isolate concepts that could lead to fiscal policy guidelines, and then apply these to a local government budget. A series of assignments allow each student to analyze the revenues, expenditures and fiscal policies of a particular local government.

Course material focuses on:

Fiscal Transparency

Public Finance: allocation, distribution and stabilization

Budget Basics

What is a budget?

Budget cycle and process

Budget elements

Calculating budget metrics: shares, percentage change, compound annual growth, inflation

Budget Institutions and Roles

Institutional analysis

Theories of budget actors

Budget Design and Analysis

Budget formats and reform

Performance based budgeting

Cost analysis

Doing break-even analysis

Capital Budgeting and the Time Value of Money

Capital budgeting

Cost benefit analysis

Calculating time value of money

Tax Criteria

Tax Principles

Applications

Income Taxation

Personal income tax structure and behavior

Local income tax structure and behavior

Corporate income tax structure and behavior

Consumption Taxation

General sales tax structure and behavior

Excise taxes

Property Taxation

Concepts and types

Calculations

Appraisal and assessment

Deviations from uniform assessment

Limits and controls

Special issues: school finance and taxpayer resistance

Collecting and Forecasting Revenues

Collections

Forecasting issues

Applying forecasting methods

Assessing forecast accuracy

Public Pricing

Enterprise operations

Gaming activity

User fees and service charges

Intergovernmental Fiscal Relations

Diversity in governments

Coordination needs

Transfer of spending power - trends and developments

Mandates

Cash Management

Purpose

Cash flows

Investments

Debt Management

Purpose

Issuance

Management

Financial Statements

Overview financial statements for government and nonprofit organizations

Basic applications and analysis

Government contracting with nonprofits

Procurement issues

Applications

A major part of the course is a budget project that is designed to advance each student's ability to analyze a budget and to present findings in a concise, factual report. Students use a local government budget to find answers to

several questions as a way to gain some familiarity with the document, and then they have to review the budget according to the Government Finance Officers Association's (GFOA) budget review criteria. In major spreadsheet assignments, students prepare a budget analysis that focuses on budget process and budgetary outcomes.

Typical Textbooks and Readings:

John L. Mikesell, Fiscal Administration (most recent edition)